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Company Announcements Office  
Australian Securities Exchange  
PO Box 11224  
Australia Square NSW 2000

## WRITEOFF OF YILGARN INVESTMENT

As previously flagged in our Half Yearly Report to 31 December 2008, the Board of RIMCapital Limited (ASX Code: RMC) ("the Company") advises that its investment in the unlisted infrastructure vehicle Yilgarn Infrastructure Limited ("Yilgarn"), currently carried at a value of \$350,000, has been reviewed by the Board and a formal decision has been taken to write off the value of this investment to nil value effective as of 30 June 2009.

The Company's Half Yearly Report stated "Since 31 December 2008, the position of Yilgarn Infrastructure Limited, an unlisted infrastructure vehicle, as a future participant in the construction and operation of the proposed development of the Oakajee rail and port projects in the Midwest iron ore region of Western Australia has been diminished by the Western Australian Government's publicly stated position that it intends to advance these project developments with an alternative party. The Company will closely monitor its Yilgarn Infrastructure Limited investment in the current half to 30 June 2009 with the potential for this investment to be further or wholly written off."

Despite Yilgarn submitting an initial strong and comprehensive tender proposal in respect of the Oakajee Port and a further innovative proposal in February 2009 outlining a \$2.0 billion open access multi-user regional rail network to connect the iron ore mines in the Midwest with the proposed Oakajee Port, the WA Government awarded both the port and rail projects to a third party. The Company understands that these proposals put by Yilgarn to the WA Government were well funded with strong financial backing including from an Alliance of five (5) Chinese State Owned Enterprises plus Chinese Policy Banks, with the largest Alliance participant being the Company's equal partner in its associate company CRMSC (Australia) Pty Limited, China Railway Materials Commercial Corporation.

On 20 March 2009 the WA Government executed an Infrastructure State Development Agreement with a third party in respect of the proposed Oakajee port and associated key rail infrastructure.

On 12 May 2009, a general meeting of Yilgarn shareholders was convened to consider a number of matters and options going forward for that entity. A number of decisions were taken at that meeting which included crediting the Company's 4.0 million partly paid shares as fully paid for no additional consideration and the Company receiving an additional 1.0 million fully paid shares in Yilgarn for services already provided. Yilgarn shareholders were also provided with, amongst other things, an update on Yilgarn and its future options with no formal decisions taken at or resolutions put to that particular meeting.

The Board's decision to fully write off this investment was not taken lightly given the circumstances surrounding Yilgarn which was seeking to participate in the proposed development of the Oakajee rail and port projects in the Midwest iron ore region of Western Australia and the current status and climate surrounding their proposed development. The Company notes with some irony the most recent efforts to attract Chinese funding and technical expertise for the proposed developments.

Given the events which have taken place over the past 6 months (where only some of the salient points have been mentioned above) and the inherent uncertainty regarding the value and future for Yilgarn, the Board has conservatively written off this investment to nil cost. The Company will keep its shareholders and the market informed with respect to future material developments in relation to its Yilgarn shareholding of 5.0 million fully paid ordinary shares.

**For further information please contact:**

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